

Appendices

King County at a Glance

Population Statistics :

Population Statistics As of April 1, 2000			
	King County Cities	Unincorporated King County	King County Population
1989	855,544	590,456	1,446,000
1990	993,495	513,824	1,507,319
1991	1,009,893	532,407	1,542,300
1992	1,023,719	540,781	1,564,500
1993	1,076,045	511,655	1,587,700
1994	1,092,300	507,200	1,599,500
1995	1,116,200	497,400	1,613,600
1996	1,196,900	431,900	1,628,800
1997	1,214,100	432,100	1,646,200
1998	1,260,900	404,900	1,665,800
1999	1,289,900	387,100	1,677,000
2000	1,384,270	352,764	1,737,034

Land Area and Population Density, 1999:

2,134 square miles total land area
 1,758 square miles unincorporated area
 376 square miles in 39 cities

Population density per square mile: 814
 Unincorporated population density per square mile: 201
 Incorporated population density per square mile 3,682

Twelve Largest Employers	1998
The Boeing Co.	City of Seattle
University of Washington	Group Health Cooperative
Metro-King County government	Swedish Hospital
Safeway Stores Inc.	Seafirst Corp.
U S Postal Service	Providence Health System
Microsoft Corp.	U S West Communications

King County Employment Categories:

Average Annual Employment and Total Wages in Covered Employment, 2000				
Industry	Average Number of Employees	Percent of Total	Annual Wages Paid (\$ in 000's)	Percent of Total
Services	362,500	31.5	\$ 21,361,800	38.9
Retail Trade	193,400	16.8	4,990,100	9.1
Manufacturing	144,300	12.5	7,824,000	14.2
Government	145,000	12.6	5,736,100	10.4
Wholesale Trade	80,700	7.0	4,175,700	7.6
Transportation, Com- munication, Utilities	79,800	6.9	3,999,100	7.3
Finance, Insurance & Real Estate	72,200	6.3	3,780,900	6.9
Construction	63,000	5.5	2,728,450	5.0
Agriculture, Forestry & Fishing	9,700	0.8	301,050	0.5
Other	600	0.1	26,300	0.1
2000 Total	1,151,200	100	\$ 54,923,700	100

APPENDICES

Highest Elevation Point: Mount Daniels 7,986 Feet
Lowest Elevation Point: Sea Level

Lakes: 760 lakes and reservoirs in King County.

Parks: 650 parks and recreation areas.

Precipitation* (inches) 1964-1993 Average

Month	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Record	5.63	4.19	3.7	2.54	1.68	1.51	0.77	1.07	1.88	3.51	5.79	5.82
Mean												

Temperature* (degrees Fahrenheit) 1964-1993 Average

Month	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Record	39.3	42.7	44.9	49.0	55.3	60.3	64.6	64.6	60.0	52.3	44.7	40.5
Mean												
Max	44.3	48.8	52.0	57.2	64.4	69.5	75.0	74.6	69.1	59.4	50.2	45.3
Min	34.2	36.5	37.7	40.8	46.2	51.1	54.2	54.5	50.9	45.1	39.2	35.7

*Data above are from Local Climatological Data Annual Summary with Comparative Data 1993 for the Seattle / Tacoma International Airport

Licensed Drivers: 1,314,741 in 1998

Licensed Vehicles: 1,606,039 in 1998

Number of Institutions of Higher Learning:

Number of Major Four-Year Colleges and Universities, Public and Independent: 7

Number of Public Community and Technical Colleges: 10

April Population by Racial Categories and for Hispanic Origin							
Year	Total	White	Black	American Indian	Asian + Pacific	Other + Multi-Race	Hispanic Origin*
1980	1,269,749	1,122,011	55,950	12,437	62,459	16,892	26,631
1990	1,507,319	1,278,532	76,289	17,305	118,784	16,409	44,337
2000	1,737,034	1,315,507	93,875	15,922	196,758	114,972	95,242

*Persons of Hispanic Origin may be of any race.

County Population by Selected Age Category as of April 1, 2000			
Age	Population	Age	Population
0-4	105,321	35-54	567,959
5-9	111,162	55-64	141,527
10-14	109,992	65-74	88,884
15-19	108,261	Over 75	92,888
20-34	411,040	Total	1,737,034

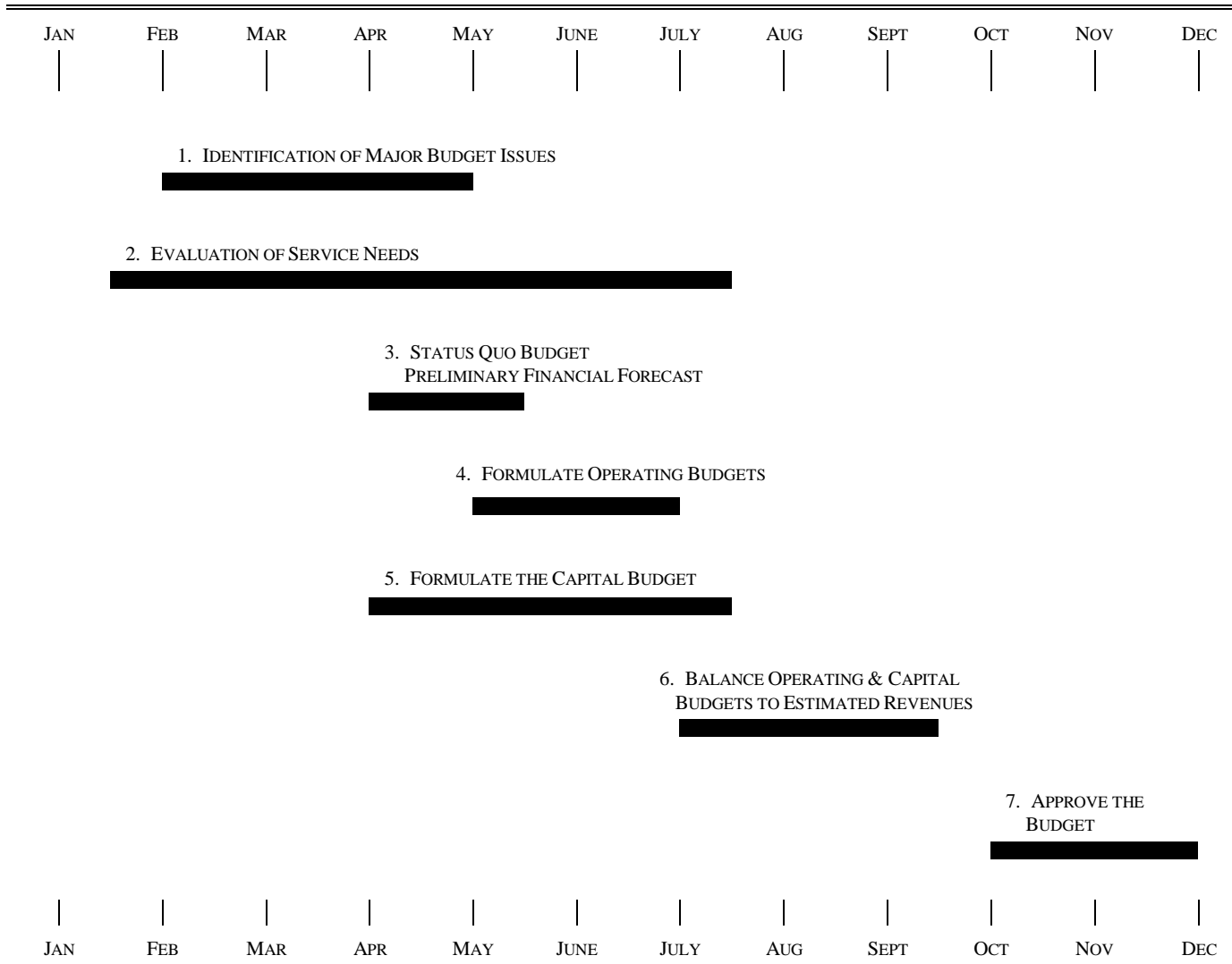
Sources: US Census Bureau (2000 US Census); Washington State Office of Financial Management;
Washington State Employment Security Department; King County Office of Regional Policy and Planning.
cf 9/01

THE KING COUNTY BUDGET PROCESS

The overall purpose of King County's budget process is to improve government accountability, a process that results in this budget book. This book is a key policy document outlining 2002 County services and capital projects. Budget development is a process for identifying funding priorities in the coming year and making adjustments that will liberate sufficient resources to fund new, high-priority program initiatives and capital projects. The calendar and narrative that follow describe the budget development process, phases, and participants.

Budget development for new capital improvement projects coincides with budget development for operating programs. In addition, ongoing capital improvement projects are reviewed, progress evaluated, and prior year funding plans updated. This process results in the Capital Improvement Program (CIP) resource book which details the five-year funding plans for 2002-2006. Criteria were adopted by the County Executive and Cabinet to target new CIP projects of the highest priority for funding in 2002.

THE KING COUNTY BUDGET DEVELOPMENT PROCESS



The King County Budget Process

1. IDENTIFY MAJOR BUDGET ISSUES/IMPACT ASSESSMENT. (FEBRUARY - MAY)

This preliminary phase of the budget development process is to identify significant budget issues for the following year. Between February and May of each year, the Executive and his Cabinet identify operations facing significant volume increases, unmet community needs, methods to improve services to the public, major maintenance requirements, new or expanded facility requirements, and other budget issues. Preliminary cost estimates are discussed for these identified budget issues.

During this phase a review of the County's long term financial and programmatic policies is conducted to identify areas of possible change given the current economic environment and needs of the County's citizens. Once established, these policies vary little from year to year. Changes most often result from the creation of a new policy. King County constantly strives to improve the processes that have resulted in its current state of excellent fiscal health. These long-term policies are one of these processes.

During this phase the County's short-term financial and operational policies are reviewed. Departments determine their main priorities and objectives for the year. They develop programs and determine the budget implications of their plans. The results of this process can be seen in the Executive Proposed Budget. The Budget Book addresses the issues and priorities of the County on a programmatic basis. This section crosses organizational boundaries to present the County's main functional responsibilities. Within these areas, individual departments address the goals and objectives for the year on a department by department basis. The department sections explain how they will accomplish the broad operational policies and priorities discussed in the overall program area.

2. EVALUATE SERVICES NEEDS. (JANUARY - JULY)

This secondary phase is to evaluate existing County services and identify priority service needs for the community. This evaluation goes hand-in-hand with the preliminary phase and is highlighted with a series of meetings between the Budget Office and Executive Cabinet to clarify program priorities.

3. ESTABLISH STATUS QUO BUDGET AND PRELIMINARY FINANCIAL FORECAST. (APRIL - MAY)

During this phase, next year's estimated costs to provide programs at this year's service levels are determined (status quo) and then are compared to preliminary revenue forecasts. This step gives County officials an idea of what the County can afford and what reductions may need to be made to maintain existing service levels during the next budgeted year.

The status quo process is the first phase of the County's financial plan development. Financial planning goes on throughout the budget process for all appropriated funds. The plans present the prior year's actual data, the current year's budget and a three-year financial forecast. The Current Expense (General) Fund Financial Plan is presented in the Economic and Revenue Section of the budget book.

The development of financial forecasts and the department's operational priorities of the County are guided by annual review of a series of financial indicators that affect the County. The review is conducted at the same time as the budget process.

4. FORMULATE OPERATING BUDGET. (MAY - JUNE)

APPENDICES

After assessing next year's estimated financial position at "status quo" funding levels, a plan for funding expanded programs is formulated. If there is a reduction in revenue forecasted for the following year, the plan requires departments to take measures to reduce program spending and requires the departments to identify additional program cuts to meet the established financial targets. The Budget Office sets the financial targets. Operating budget requests are submitted by all County departments, except the County Council agencies.

5. FORMULATE THE CAPITAL BUDGET REQUESTS. (APRIL - JULY)

The departments are directed to identify the County's requirements for major construction or renovation of public facilities, and acquisition of land related to future capital projects. Those requirements are then costed and ranked according to necessity by the responsible County department.

6. BALANCE OPERATING AND CAPITAL BUDGETS TO ESTIMATED REVENUES. (JULY - SEPTEMBER)

This phase of the budget development process involves detailed analysis of department budget requests and decisions over which requests for new or expanded programs should be recommended for funding during the following year. The Budget Office updates financial forecasts; Executive Cabinet task forces formally analyze program priorities; the Budget Office per established Executive criteria prioritizes capital project requests; and the County Executive decides final funding recommendations. The Budget Office ensures that the final funding recommendations for operating and capital budgets are balanced with the estimated following year revenues.

7. APPROVE THE BUDGET. (OCTOBER - DECEMBER)

The Executive Proposed Budget is transmitted to the County Council. The Budget Office transmits financial plans for all the budgeted County funds as part of the Proposed Budget. The Council reviews the proposed budget, holds public hearings, adjusts the budget as Council members deem necessary, and adopts the budget as required by State law.

8. PROCESS FOR AMENDING THE ANNUAL BUDGET (JANUARY – DECEMBER)

The King County annual budget is established by enactment of an ordinance by the King County Council, which allocates specific funding to each agency within the county, and establishes the source of the funding and determines the number of Full Time Equivalents (FTE).

A County agency must determine that it is appropriate for a supplemental appropriation or correction to the existing ordinance, which established the County Budget. The affected agency prepares an ordinance, which amends the annual budget ordinance for their particular section. This amendment may be in the form of an increase/decrease or a change in the FTE count. The proposed ordinance is forwarded to the King County Executive for approval and transmitted to the King County Council.

The proposed legislation is forwarded to the Budget Office. The King County Code charges this office with the review and with ensuring that there are sufficient funds available to meet the request. The Budget Office then makes a recommendation to the Executive as to the appropriateness of the supplemental request.

APPENDICES

The legislation is transmitted to the Council. The legislation is introduced at the meeting of the complete council and is assigned to the committee charged with examining the request (usually the Budget and Fiscal Committee). The legislation must then be advertised in a recognized newspaper (usually by title of the legislation), advising the public of the nature of the legislation and setting a time for a hearing before the full council.

The legislation is placed on the committee agenda for hearing and determination of applicability. The chair of the committee then recommends back to the Council Chair a recommendation of “do pass” to the full council. The legislation must be openly read during two regular sessions of the Council. The Council Chair, working with the Clerk of the Council, places the matter on the agenda for the regular meeting of the council and public testimony is taken. At the close of public testimony, a vote of the Council is taken and a majority decision is announced.

By the theory of merger, the enacted legislation is merged into the annual budget ordinance, becoming a part of the annual budget ordinance.

DESCRIPTION OF KING COUNTY FUNDS

The use of fund accounting is one of the major differences between government and commercial accounting. A fund is defined as an entity with a separate set of accounting records segregated for the purpose of carrying on a specific activity. Each fund is treated as a separate and self-sustaining business entity. For example, the County's Federal Housing and Community Block Grant is accounted for in a separate fund. The receipt and use of these grant monies are tracked, and at year end the assets and liabilities associated with the grant are determined.

For accounting purposes, there are three fund types: governmental, proprietary, and fiduciary. Governmental funds are used to account for general government operations such as police, human services, parks, or capital projects. Governmental Fund Types are classified as Current Expense (general fund), special revenue, debt service, and capital projects. Proprietary funds are used to account for a government's activities that are similar to the private sector businesses and are classified as enterprise or internal service. Enterprise Funds are established to account for organizations, which are intended to be self-supporting through fees charged for services to the public, one example is the Airport Fund. Internal Service Funds are established to account for certain activities, which support other County Operations, one such fund, is the Computer and Communications Fund. Fiduciary funds are classified as agency or trust. Agency funds, such as the Salary Fund, are clearing accounts used to account for assets held by King County in its capacity as custodian and are offset by an equal, related liability. Agency funds are not budgeted.

Accounting for the flow of dollars in and out of accounts varies depending upon whether the fund is of the governmental or proprietary type. Governmental funds, like the Current Expense or Special Revenue funds, are accounted for on a modified accrual basis which has a spending measurement focus. This means that only current assets and current liabilities are generally reported on their balance sheets and their operating statements present financial flow information of revenues and expenditures. Thus, there is a matching of amounts owed during the current business cycle to revenues to be received in cash during the current business cycle. Proprietary-type funds are accounted for on an accrual basis which has a cost services or capital maintenance measurement focus. All assets and all liabilities, whether current or non-current, are

APPENDICES

reported on their balance sheets and their operating statements present revenue and expenses just like a private business enterprise.

King County's revenue sources are distributed among its various funds to support the provision of County services and capital improvements. A brief description of the major categories of funds follows.

GOVERNMENTAL FUND TYPES

Current Expense Fund

The Current Expense Fund (CX) is the County's "general fund." It is the largest operating fund of King County. The fund is used to account for all resources not required to be accounted for in another fund. The Current Expense Fund supports law, safety, and justice programs; the County's financial and administrative management; parks; arts; and community development planning. In addition, the Current Expense Fund contributes to the operating budgets of the County's public health, human services, emergency medical services, alcoholism, developmental and environmental services, and job training. It also makes contributions to selected capital funds for Capital Improvement Program projects when no other funding source is appropriate.

Special Revenue Funds

Special Revenue Funds are used to account for revenues that are legally or administratively restricted for special purposes. These funds receive revenues from a variety of sources, including Federal and State grants, taxes, permits, and service fees. These revenues are dedicated to supporting the programs of the individual special revenue fund.

Four Special Revenue Funds account for over half of the total 2002 budgets for this fund group. They are the County Road, Public Transportation, Public Health Pooling, and the Human Services funds. During 2002 the County will have 31 Special Revenue Funds. Twenty-seven of those funds are budgeted annually.

Fund	Budgeted	Not Budgeted	Comments
Criminal Justice	X		
County Road	X		
Landfill Post Closure Maintenance	X		
River Improvement	X		
Veterans' Relief	X		
DHS/Developmental Disabilities	X		
Civil Defense		X	
Recorder's O&M	X		
Enhanced 911 Emergency Telephone System	X		
DHS/Mental Health	X		
Road Improvement Guaranty		X	Special Assessment Fund.
Arts & Cultural Development	X		
Emergency Medical Services	X		
Treasurer's O&M		X	Not budgeted pursuant to Revised Code of Washington 84.56.020.
Surface Water Management	X		
Automated Fingerprint Identification System	X		
Bridge Replacement		X	
Alcoholism & Substance Abuse	X		
Local Hazardous Waste	X		

APPENDICES

Department of Development & Environmental Service	X
Public Health Pooling	X
Intercounty River Improvement	X
Parks Equipment Replacement	X
Grants	X
Work Training Program	X
Community Development Block Grant	X
Youth Sport Facility Grant	X
Public Transportation Fund	X
Noxious Weed Control	X
Logan/Knox Settlement	X
Clark Contract Administration	X

Debt Service Funds

Debt Service funds are employed to account for resources used to repay the principle and interest on general-purpose long-term debt. Property taxes are levied annually to meet redemption requirements unless other revenue sources are specifically dedicated to repayment of the bonds. The Unlimited and Limited General Obligation Bond Funds represent the bulk of Debt Service Funds appropriations.

Capital Project Funds

Capital Project Funds pay for major construction and land acquisition projects that are included in King County's capital improvement budget. Revenues for capital funds are derived from taxes, contributions from operating funds, Federal and State grants, and bonds. These revenues are usually dedicated to maintain capital programs and are not available to support operating expenses.

PROPRIETARY FUND TYPES

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to business enterprises. They are established as fully self-supporting operations with revenues provided principally from fees, charges, or contracts for services. Enterprise Fund revenues and expenditures may fluctuate with changing service levels or consumer demand. Spending in Enterprise Funds is generally dictated by decisions within the scope and quality of service, by price levels, and/or by contract terms. King County has four enterprise funds: (1) the Solid Waste Enterprise is comprised of the Solid Waste Operating Fund, Solid Waste Capital Equipment Recovery Fund, Energy Resource and Recovery Fund, Landfill Reserve Fund, the Solid Waste Marketing Commission, and several bond-financed capital project funds; (2) the King County International Airport Enterprise Fund; (3) Public Transportation Fund; and, (4) Water Quality Fund.

Internal Service Funds

Internal Service Funds are used to account for operations similar to those accounted for in Enterprise Funds, but which provide goods or services primarily to other departments on a cost-reimbursable basis. The County's data processing is an example of such an activity. The majority of the appropriations in these funds are double-budgeted, as they are also included in the paying agencies that receive the services. There are eight Internal Service Funds: Insurance,

APPENDICES

Computer and Communications Services, Printing and Graphic Arts, Safety and Claims Management, Public Works ER&R, Motor Pool ER&R, Employee Benefits, and Construction and Facilities Management.

BASIS OF BUDGETING

For governmental type funds, King County uses the modified accrual basis of budgeting except in certain circumstances described below. Revenues are estimated on the basis of when they become susceptible to accrual, such as intergovernmental revenues where revenue estimates are matched with appropriations. Those revenues not susceptible to accrual are taxes, licenses, and permits. Expenditures are budgeted based on liabilities expected to be incurred in the acquisition of goods and services.

In the Current Expense and budgeted Special Revenue Funds, the legally prescribed budgetary basis differs from the Generally Accepted Accounting Principles (GAAP) basis as follows:

1. For the Current Expense and Special Revenue Funds, prepayments are budgeted as expenditures whereas on the GAAP basis, an asset will be established at the date of payment and will be amortized over the accounting periods that are expected to benefit from the initial payment;
2. For the Current Expense and Special Revenue Funds, Capitalized expenditures related to capital leases are not budgeted. Only the annual payments under capital leases are budgeted;
3. In the Current Expense fund, certain intrafund operating transfers in-and-out, eliminated in the GAAP basis statements, are budgeted;

Two funds within the Special Revenue Fund group do not have an annual basis of budgeting. They are the Grants Fund and the Federal Housing and Community Development Block Grant Fund. Budgets within these funds are on a multi-year basis with the budget for a particular program covering one or more fiscal years. Total revenues and expenditures for the program are budgeted at its inception and any unexpended balance at the end of the fiscal year is reappropriated to the next fiscal year.

In the Debt Service Funds, the legally prescribed budgetary basis is in conformity with GAAP.

All Capital Project Funds except for the Road Improvement Guaranty Fund and Water Quality Funds are budgeted using continuing appropriations, which do not lapse at year-end. The current year's portion of the County's six-year capital improvement program is appropriated each year. The Road Improvement Guaranty Fund is not budgeted and reports capital improvement assessments construction activity pursuant to Revised Code of Washington Chapter 36.40.200 and the County Charter Section 480.

Although the proprietary funds, called internal service and enterprise, are accounted for on a cost of services or "capital maintenance", measurement focus in the financial statements are prepared in conformance with GAAP. The budget uses the "financial flow" measurement focus whereby the budgeted revenues and expenditures represent the source and application of available spendable resources. The major cases where the budgetary basis departs from the accrual basis

APPENDICES

are where:

- The receipt of assessments receivable are budgeted;
- The accrued portion of such expenses as accrued vacation and sick leave, accrued insurance policy expenses, accrued estimated claims settlements, and accrued interest expense are not budgeted in the year of accrual;
- The maintenance inventory is budgeted under the purchase method, not the consumption method;
- The purchase cost of capital items has been budgeted, but depreciation and amortization expenses have not been budgeted;
- Expenditures related to the book value of capitalized land and equipment disposed or donated are not budgeted; Expenditures for the payment of bond and capital lease debt principle are budgeted; Expenditures for the prepayment of debt services are budgeted;
- In the Internal Service Funds, expenses for bad debts are treated as negative revenues on the budgetary basis; and
- The supplemental pension payments to the State of Washington Department of Labor and Industries for which the Safety and Claims Management Fund (an Internal Service Fund) acts as a clearing fund are budgeted.

GLOSSARY

Account Class—A grouping of like accounts used as a basis for classifying financial information such as types of revenues and expenditures.

Accrual Basis—This is the basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows. Expenses are recorded at the time liabilities are incurred and revenues are recorded when earned. Unbilled service receivables are recorded at year-end.

Allot—To divide an appropriation into amounts which may be encumbered or expended during an allotment period.

Annualize—Taking changes that occurred mid-year and calculating their cost for a full year, for the purpose of preparing an annual budget.

Appropriations—A legal authorization granted by the County Council to make expenditures and to incur obligations for specific purposes. An appropriation is limited in amount and the time when it may be used unless it is for a capital project such as constructing a building or developing a park.

Assessed valuation—A determination of value set upon real estate or other property, by a government, as a basis for levying taxes.

Asset—Any owned physical object (tangible) or right (intangible) having a monetary value or an item or source of wealth, expressed in terms of any cost benefiting a future period.

Available (Undesignated) Fund Balance—This refers to the funds remaining from the prior year which are available for appropriation and expenditure in the current year.

Base Budget—Cost of continuing the existing levels of service in the current budget year.

Bond—A long-term IOU or promise to pay. It is a promise to repay a specified amount of money (the face amount of the bond) on a particular date (the maturity date). Bonds are primarily used to finance capital projects.

- **General Obligation (G.O.) Bond**—This type of bond is backed by the full faith, credit and taxing power of the government.
- **Revenue Bond**—This type of bond is backed only by the revenues from a specific enterprise or project, such as a hospital or toll road.
- **Bond Refinancing**—The payoff and re-issuance of bonds, to obtain better interest rates and/or bond conditions.

Budget—A plan of financial activity for a specified period of time (fiscal year or biennium) indicating all planned revenues and expenses for the budget period.

Budgetary Basis—This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally take one of three forms: GAAP, cash, or modified accrual.

Budget Calendar—The schedule of key dates which a government follows in the preparation and adoption of the budget.

Budgetary Control—The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

Capital Improvement Project—A particular project that relates to the acquisition (purchase) or construction of major capital facilities.

Constant Or Real Dollars—The presentation of dollar amounts adjusted for inflation to reflect the real purchasing power of money as compared to a certain point of time in the past.

Encumbrances—Commitments for unperformed contracts for goods or services. A purchase order is the most common encumbrance.

Expenditures—A net decrease in financial resources. Expenditures include operating expenses that require the use of current assets. This term designates the cost of goods delivered or services rendered, whether paid or unpaid, including expenses, provision for debt retirement not reported as a liability of the fund from which retired, and capital outlays.

Full-Time Equivalent (FTE) —The amount of time a position has been budgeted for, in terms of the work year of a regular, full-time employee. For example, a position which has been budgeted to work full time for only six months is 0.5 FTE.

Fund—An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and changes in these assets and liabilities.

Capital Assets—Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

Capital Budget—The appropriation of bonds or operating revenue for improvements to facilities and other infrastructure.

Capital Improvements—Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant; sometimes referred to as infrastructure.

Capital Improvements Program (CIP)—A plan for capital outlay to be incurred each year over a fixed number of years to meet capital needs arising from the government's long-term needs.

APPENDICES

Capital Outlay—Fixed assets which have a value of \$250 or more and have a useful economic lifetime of more than one year; or, assets of any value if the nature of the item is such that it must be controlled for custody purposes as a fixed asset.

Capital Project—Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life. Also called capital improvements.

Capital Reserve—An account used to segregate a portion of the government's equity to be used for future capital program expenditures. The amount of capital reserve is roughly equal to the government's annual equipment depreciation and an amount identified as being needed for future capital acquisition.

Cash Basis—A basis of accounting in which transactions are recognized only when cash is increased or decreased.

Commodities—Expendable items that are consumable or have a short life span. Examples include office supplies, gasoline, minor equipment, and asphalt.

Constant or Real Dollars—The presentation of dollar amounts adjusted for inflation to reflect the real purchasing power of money as compared to a certain point in time in the past.

Consumer Price Index (CPI)—A statistical description of price levels provided by the US Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency—A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contractual Services—Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements, and professional consulting services.

Cost-of-Living Adjustment (COLA)—An increase in salaries to offset the adverse effect of inflation on compensation.

Debt Service—The cost of paying principal and interest on borrowed money according to a predetermined payment schedule.

Dedicated Tax—A tax levied to support a specific government program or purpose.

Deficit—The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

Depreciation—Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

APPENDICES

Development-Related Fees—Those fees and charges generated by building, development and growth in a community. Included are building and street permits, development review fees, and zoning, platting and subdivision fees.

Disbursement—The expenditure of monies from an account.

Employee (or Fringe) Benefits—Contributions made by a government to meet commitments or obligations for employee fringe benefits. Included are the government's share of costs for Social Security and the various pensions, medical, and life insurance plans.

Encumbrance—The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

Entitlements—Payments to which local governmental units are entitled, pursuant to an allocation formula determined by the agency providing the monies, usually the state or the federal government.

Expenditure—The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

Expense—Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

Financial Plan—A summary by fund of planned revenues and expenditures, reserves, and undesignated fund balances.

Fiscal Policy—A government's policies with respect to revenues spending and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.

Fiscal Year—A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization.

Fixed Assets—Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

Full Faith and Credit—A pledge of a government's taxing power to repay debt obligations.

Full-Time Equivalent Position (FTE)—A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time typist working for 20 hours per week would be the equivalent to .5 of a full-time position.

Fund—A fiscal entity with revenues and expenses which are segregated for the purpose of carrying out a specific purpose or activity.

APPENDICES

Fund Balance—The fund equity of governmental funds and trust funds or the excess of the assets of a fund over its liabilities, reserves and carryover.

GAAP—Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules and procedures that define accepted accounting principles.

Grants—A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.

Hourly—An employee who fills a temporary or short-term position. Such employees provide contingency staffing for government operations during peak workloads or to address temporary staffing needs. Hourly employees are paid on a per-hour basis and receive limited benefits.

Infrastructure—The physical assets of a government (e.g., streets, water, sewer, public buildings and parks).

Interfund Transfers—The movement of monies between funds of the same governmental entity.

Intergovernmental—Refers to transactions between the different levels of government, e.g., city, county, state, and federal.

Intergovernmental Revenue—Funds received from federal, state and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Interfund Transfers—The movement of moneys between funds of the same governmental entity.

Internal Service Charges—The charges to user departments for internal services provided by another government agency, such as data processing or insurance funded from a central pool.

Lapsing Appropriation—An appropriation made for a certain period of time, generally for the budget year. At the end of the specified period, any unexpected or unencumbered balance lapses or ends, unless otherwise provided by law.

Levy—To impose taxes for the support of government activities.

Levy Rate—The amount of tax levied for each \$1,000 of assessed valuation.

Liability—Indebtedness of a governmental entity. Common examples are amounts owed to vendors for services rendered or goods received, and principal and interest owed to holders of county bonds. These are debts or legal obligations arising out of transactions in the past that must be liquidated, renewed, or reduced at some future date.

Line-Item Budget—A budget prepared along departmental lines that focuses on what is to be bought.

APPENDICES

Long-Term Debt—Debt with a maturity of more than one year after the date of issuance.

Materials and Supplies—Expendable materials and operating supplies necessary to conduct departmental operations.

Mill—The property tax rate which is based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each \$1,000 of assessed property valuation.

Modified Accrual Basis—The basis of accounting adapted to the governmental-fund type spending. Under it, revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period". Expenditures, other than accrued interest on general fiscal long-term debt, are recognized when the related fund liability is incurred.

Net Budget—The legally adopted budget less all interfund transfers and interdepartmental charges.

Nominal Dollars—The presentation of dollar amounts not adjusted for inflation. Adjusting for inflation would be done to reflect the real purchasing power of money today.

Object of Expenditure—An expenditure classification, referring to the lowest and most detailed level of classification, such as electricity, office supplies, asphalt and furniture.

Objective—Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.

Obligations—Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Operating Budget—Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing of acquisitions, spending, and service delivery activities of a government are controlled.

Operating Revenue—Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings and grant revenues. Operating revenues are used to pay for day-to-day services.

Operating Expenses—The cost for personnel, materials and equipment required for a department to function.

Ordinance. A formal legislative enactment by the Council or governing body of a governmental entity.

Pay-As-You-Go Basis—A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.

Performance Budget—A budget wherein expenditures are based primarily upon measurable performance of activities and work programs.

Performance Indicators—Specific quantitative and qualitative measures of work performed as an objective of specific departments or programs.

Performance Measure—Data collected to determine how effective or efficient a program is in achieving its objectives.

Personal Services—Expenditures for salaries, wages, and fringe benefits of a government's employees.

Prior-Year Encumbrances—Obligations from previous fiscal years in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation, and for which a part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Program—A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.

Program Budget—A budget which allocates money to the functions or activities of a government rather than to specific items of cost or to specific departments.

Program Category—A grouping of departmental expenditures by functional or program activities which are directed toward a common purpose or goal.

Program Performance Budget—A method of budgeting whereby the services provided to the residents are broken down in identifiable service programs or performance units. A unit can be a department, a division, or a workgroup. Each program has an identifiable service or output and objectives to effectively provide the service. The effectiveness and efficiency of providing the service by the program is measured by performance indicators.

Program Revenue (Income)—Revenues earned by a program, including fees for services, license and permit fees, and fines.

Reserve—An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

Resolution—A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Resources—Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.

Revenue—Amounts received by a government through such sources as taxes, fines, fees, grants, or charges for services which can be used to finance government operations or capital assets. These amounts increase the net assets of the government. For those revenues that are recorded on the accrual basis, this term designates additions to assets that : (a) do not increase any liability; (b) do not represent the recovery of an expenditure; (c) do not represent the cancellation

APPENDICES

of certain liabilities without a corresponding increase in other liabilities or a decrease in assets; and (d) do not represent contributions of fund capital in Enterprise and Intragovernmental Service Funds.

Service Lease—A lease under which the lessor maintains and services the asset.

Service Level—Services or products which comprise actual or expected output of a given program. Focus is on results, not measures of workload.

Site-Based Budgeting—A decentralized budget process whereby budget preparation and development are based on individual school (and departmental) sites.

Source of Revenue—Revenues are classified according to their source or point of origin.

Supplemental Appropriation—An additional appropriation made by the governing body after the budget year or biennium has started.

Supplemental Requests—Programs and services which departments would like to have added (in priority order) over their target budget, or if revenue received is greater than anticipated.

Tax Levy—The resultant product when the tax rate per one hundred dollars is multiplied by the tax base.

Taxes—Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Transfers In/Out—Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

Unencumbered Balance—The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

Unreserved Fund Balance—The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Charges—The payment of a fee for direct receipt of a public service by the party who benefits from the service.

Variable Cost—A cost that increases/decreases with increases/decreases in the amount of service provided such as the payment of a salary.

Workload Indicator—A unit of work to be done (e.g., number of permit applications received, the number of households receiving refuse collection service, or the number of burglaries to be investigated).

**Link to Summary Comparison of 2002 Appropriations by
Program Category - All Resources
And
Summary Comparison of 2002 Appropriations by Program
Category - Current Expense Fund and General Fund,
13 KB .pdf**

Expenditure Schedules

[Link to 2000 Expenditures and Encumbrances by Fund, 18 KB .pdf](#)

[Link to Expenditures by Appropriation Unit, Current Expense Fund, 11 KB .pdf](#)

[Link to Criminal Justice Funds \(CJ\), 7 KB .pdf](#)

[Link to Expenditures by Appropriation Unit, Non-Current Expense and Non-Criminal Justice Funds, 17 KB .pdf](#)

FTEs Schedules

[Link to Full-Time Equivalents Positions \(FTEs\) by Department, All Funds, 8 KB .pdf](#)

[Link to Full-Time Equivalents Positions \(FTEs\) by Appropriation Unit, Current Expense Funds, 9 KB .pdf](#)

[Link to Full Time Equivalents Positions \(FTEs\) by Appropriation Unit, Criminal Justice Funds, 6 KB .pdf](#)

[Link to Full Time Equivalents Positions \(FTEs\) by Appropriation Unit, Non-Current Expense and Non-CJ Funds, 12 KB .pdf](#)

Revenue Schedules

[Link to 2002 Revenue and Expenditures by Fund, 11 KB .pdf](#)

[Link to Current Expense Revenue Summary, 12 KB .pdf](#)

[Link to All Funds Revenue Summary, 8 KB .pdf](#)

[Link to 2001 Revenue by Fund and Account, 14 KB .pdf](#)